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FISCAL IMPACT STATEMENT

LS 6346

BILL NUMBER: SB 138

NOTE PREPARED: Dec 9, 2007

BILL AMENDED:

SUBJECT: Income Tax Withholding.

FIRST AUTHOR: Sen. Riegsecker

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that in computing an employee's income tax withholding, an employer may make an allowance for a withholding exemption claimed by an employee only if the employee furnishes the employer with the Social Security number of the individual for whom the employee is claiming the withholding exemption. It provides that an employer shall file a report annually, on or before the last day of February that follows the calendar year for which the report is made, with the Department of State Revenue that lists the Social Security numbers of individuals for whom the employer's employees claimed withholding exemptions.

The bill also provides that the amount of county adjusted gross income tax (CAGIT) revenue, county option income tax (COIT) revenue, or county economic development income (CEDIT) revenue eligible for distribution to a county is based on the amount of the CAGIT revenue, COIT revenue, or CEDIT revenue collected by the Department of State Revenue.

Effective Date: July 1, 2008.

Explanation of State Expenditures: The bill requires the Department of State Revenue (DOR) to base the CAGIT, COIT, and CEDIT revenue eligible for distribution to a county on the amount of revenue collected by the DOR. Current law provides that the amount of CAGIT revenue, COIT revenue, or CEDIT revenue eligible for distribution to a county is based on the amount of revenue: (1) collected by the DOR; and (2) reported on an annual or amended return processed by the DOR.

The DOR will incur additional expenses to revise tax forms, instructions, and computer programs to reflect the reporting and reviewing requirements. The Department's current level of resources should be sufficient

to implement this change.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue.

Local Agencies Affected:

Information Sources:

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